



State of Utah

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*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Utah Department of Health

Richard G. Saunders  
*Interim Executive Director*

### Division of Medicaid and Health Financing

NATE CHECKETTS  
*Director, Division of Medicaid and Health Financing*

September 30, 2020

Members of the Social Services Appropriations Subcommittee  
State Capitol  
Salt Lake City, Utah 84114

Dear Subcommittee Members:

The Centers for Medicare and Medicaid Services (CMS) requires the Department of Health to update its State Plan and existing waivers for Medicaid when the State makes changes to the program. In accordance with these changes and reporting requirements of Subsection 26-18-3(3), the following is a summary of recent changes:

## STATE PLAN AMENDMENTS

### Payments for OPPS Hospitals

In accordance with S.B. 5001 passed during the 2020 Fifth Special Session, the Division of Medicaid and Health Financing (DMHF) submitted an amendment to the State Plan.

This amendment decouples Medicaid from Medicare outpatient hospital rates effective October 1, 2020, and only increases rates based on legislative appropriations. Rates will initially be set to pre-January 2020 Medicare inflation levels.

DMHF expects total annual savings of about \$1,276,400 to result from this amendment.

This amendment does not affect future appropriations and there is no cost shift to more expensive services for Medicaid members and their families.



# WAIVERS

## 1115 Waiver Amendments

### **Mental Health IMD Waiver Amendment**

On August 3, 2020 the Department submitted the Mental Health IMD waiver was submitted to CMS in accordance with HB 219 passed during the 2020 General Session. With this amendment, the State seeks to amend its 1115 PCN Demonstration Waiver, and is requesting waiver authority to claim federal financial participation (FFP) for payment of services to Medicaid beneficiaries, age 21 through 64, receiving inpatient psychiatric treatment or residential mental health treatment in an IMD. The State is also seeking the authority to make capitation payments to state contracted managed care entities to pay for services to Medicaid beneficiaries regardless of the length of stay in an IMD. Utah is requesting that the waiver authorities described in this amendment apply to Medicaid beneficiaries in both Utah's managed care and FFS service delivery systems. Application of the waiver to both systems would ensure equal access to this benefit for all Medicaid beneficiaries. Specifically, Utah seeks authority for the following: 1. Allow Utah to make capitated payments to managed care entities for Medicaid beneficiaries receiving inpatient or residential mental health treatment in an IMD. The average length of stays under this amendment will be no more than 30 days. Capitated payments may be used to pay for treatment in these settings and services provided before or after discharge from the facility during the calendar month. 2. To allow for FFP in expenditures for services provided to managed care and FFS Medicaid beneficiaries in inpatient psych

### **1115 Demonstration Waiver Amendment - Dental Benefits Delivery System for Individuals with Blindness or Disabilities**

On September 11, 2020, the Department submitted an 1115 waiver amendment to CMS to transition Medicaid members with blindness or disabilities to the University of Utah, School of Dentistry and their statewide provider network for their dental benefits. This amendment became necessary due to budget reductions taken during the 2020 Fifth Special Session. The public comment period for this amendment was from July 31 to August 29. Utah Medicaid held two public comment meetings on August 18 and August 20. Individuals with blindness or disabilities currently receive state plan dental benefits under the State's 1915(b) Dental Choices Waiver and the 1115 Primary Care Network Demonstration Waiver. Because of recent legislative budget reductions due to the impact of the COVID-19 pandemic on the economy, the State no longer has funding to provide the State's share for dental benefits for individuals with blindness or disabilities. The University of Utah (state teaching hospital) School of Dentistry agreed to provide the State matching funds for these services through an intergovernmental transfer. The U of U School of Dentistry currently provides dental benefits for Medicaid adults over age 65 and Targeted Adult Medicaid beneficiaries.

### **1915 (b) Managed Care Waivers**

On July 31, 2020 the Department submitted an amendment to the Prepaid Mental Health Plan (PMHP) waiver amendment CMS. This amendment changes the PMHP serving Tooele County from Valley Behavioral Health to Optum Tooele County. This change has an effective date of November 1, 2020.

### **1915 (c) Home and Community Based Services Waivers**

On September 22, 2020 the Department submitted an amendment to the Aging Waiver that made minor adjustments to the definition of the Personal Emergency Response System (PERS) service definition. This adjustment clarified that devices that track the geo-location of the service recipient could be used and provided criteria under which their use would be appropriate. This amendment was approved by CMS on September 25th, 2020 with an effective date of July 1, 2020.

### **Managed Care Rates- Rates Submitted to or Approved by CMS July-September 2020**

Type of Plan	Rate Period	Date Submitted to CMS	Date Approved by CMS	COMMENTS
ACO	SFY 2021	09/16/2020	Pending Approval	Rates for Legacy Medicaid Groups
PMHP	SFY 2021 07/01/19- 06/30/2020	09/02/2020	Pending Approval	Rates for Legacy Medicaid Groups

Please let me know if you have any questions.

Sincerely,

Nate Checketts  
Director, Medicaid and Health Financing  
Utah Department of Health

